

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 1496

IN THE MATTER OF:

Served February 10, 1976

Application of GREYHOUND AIRPORT)
SERVICE, INC., for Authority to)
Change Its Tariff)

Application No. 893

By Application No. 893, filed December 8, 1975, Greyhound Airport Service, Inc. (Greyhound) sought approval of its WMATC Tariff No. 15 which would cancel its current WMATC Tariff No. 14. The proposed WMATC Tariff No. 15 would establish fares for service proposed to be operated between Dulles International Airport (Dulles) and the Mayflower Hotel, the Sheraton Park Hotel and the Shoreham Americana Hotel, all located within Washington, D. C. The proposed effective date of WMATC Tariff No. 15 was January 7, 1976.

By Order No. 1484, served January 6, 1976, the Commission suspended the proposed tariff effective January 7, 1976, for a period of 90 days, through April 6, 1976, unless otherwise ordered. On January 13, 1976, Greyhound filed an application for reconsideration of Order No. 1484. It is this application for reconsideration which we treat today.

Under provisions of the Compact, Title II, Article XII, Section 16, the technical effect of the January 13, 1976, filing by Greyhound of an application for reconsideration was to stay the effectiveness of the Commission's Order No. 1484 suspending the proposed WMATC Tariff No. 15. Furthermore, the Compact, Title II, Article XII, Section 16 provides that an application for reconsideration may be filed stating specifically the errors claimed as grounds for such reconsideration. Our reading of Greyhound's application for reconsideration discloses only two items which might be considered specification of error by the Commission. The first is that the Commission misconstrued the proposed tariff as providing fares for either limousine or coach service between Dulles and Montgomery County, Maryland, thereby contemplating new coach service by Greyhound between those points. The second is that Greyhound was not adequately advised of the Commission's action, nor given any advance indication of the Commission's action.

Greyhound asserts in its application for reconsideration that it made certain mistakes in proposed WMATC Tariff No. 15 which was suspended

and that the Commission, in turn, misconstrued that tariff. Greyhound has corrected the erroneous provisions and has filed a corrected proposed tariff as part of its application for reconsideration. In fact, Greyhound in both its existing and proposed tariffs, sets forth rates for only limousine service between Dulles and Montgomery County, Maryland.

The incorrect recitation of the proposed tariff changes in Order No. 1484 has been considered but do not necessitate any action other than that directed in Order No. 1484. We suspended the proposed tariff in order to permit Greyhound to submit financial data relating to the impact upon its viability which would result from the institution of the proposed service. Obviously, we included a request for financial information relating to an operation which Greyhound did not intend to perform. The misconstruction of the proposed tariff has been corrected but we still are concerned with the effect upon Greyhound's financial position that would result from the institution of limousine service between Dulles and the Mayflower Hotel, the Sheraton Park Hotel, and the Shoreham Americana Hotel.

Greyhound's application for reconsideration indicated that it commenced operation of the proposed service on January 7, 1976, because it had no notice that its tariff was to be suspended, and that it "is continuing to conduct its new limousine service . . . pending the outcome of this Petition". The Commission notes that service of Order No. 1484 was accomplished in accordance with Commission Rule of Practice 5-01 and in a timely fashion in accordance with Commission Rule of Practice 5-03.

Greyhound blithely claims it "had no reason to anticipate that the tariff would be suspended . . .," notwithstanding that this very service is the subject of applications 1/ of another carrier vehemently protested by Greyhound. It was these protested applications which Greyhound admitted had prompted the filing of proposed WMATC Tariff No.15, in spite of Greyhound's own conviction that it "does not believe that sufficient passengers will utilize such service to justify and profitably support it." Prior to the issuance of Order No. 1484, Greyhound was given no reason to anticipate that the tariff would be either suspended or approved, and we believe the very nature of these proceedings would warrant the most acute caution of a prudent party.

Greyhound further admits having the Commission's order on January 8, 1976, one day after it established the service. We believe Greyhound should have ceased operations at that time, and we find no valid reason for it to have continued such operations being fully aware they were not

1/ Application Nos. 871 and 872 of Executive Limousine Service, Inc., consolidated in Docket No. 289.

authorized. Certainly, very few members of the public would have come to depend upon the service in that time, and there would be very little inconvenience to the public associated with immediate discontinuance.

The course the Commission must take in this matter is clear. The operation must be stopped. It was begun without authority, and the Commission has proceedings under way which will bring the matter to an orderly and deliberate conclusion. We believe there will be little inconvenience to the public at this time. There will be inconvenience to Greyhound creditable to its own precipitate action in this matter.

In Order No. 1484, the Commission said, "Greyhound has not submitted as support for its application any analysis of the revenue to be generated by the provision of the proposed service or the expense to be incurred in rendering such service. Greyhound should submit such analysis, properly documented, to the Commission for its consideration." In response to this, Greyhound, in its application for reconsideration, has provided an estimate of expenses, and reported on patronage of its operations on January 7 and 8. Greyhound, in its presentation of these data, notes the Commission's concern in Order No. 1484 over Greyhound's own belief that such services would not generate compensatory revenues. Greyhound asserts "it would be far better for it to provide such service, even if it proves unprofitable, than to have some new carrier, such as Executive Limousine, institute such service and thereby divert passenger traffic and revenue". Greyhound further states that it cannot project with any degree of accuracy or reliability, the extent to which passengers may utilize its new limousine service nor the revenue which it will derive from that service. Greyhound also points out that, as a result of recently concluded labor negotiations, it plans soon to file an application for increased fares in which it would take into account the revenues and expenses of the new service.

The Commission shall consider Greyhound's Application No. 893 to include the financial data and the revised tariff submitted as part of its application for reconsideration. Greyhound has estimated its operating costs to be \$117.12 per day in providing limousine service between Dulles and the Mayflower Hotel, the Sheraton Park Hotel, and the Shoreham Americana Hotel. Greyhound estimates that it will require an average of slightly more than 4 passengers per schedule in order to break even on its operations. Greyhound is neither overly optimistic about the volume of passengers who will utilize the service nor the profitability or economic feasibility thereof. Greyhound states that "it has committed itself to institute and maintain that service and it will continue to do so until such time as this Commission may direct it to modify or alter that service in any respect."

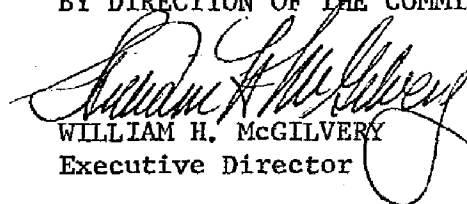
As previously indicated, we shall order Greyhound to cease and desist from performing the limousine service between Dulles and the

Mayflower Hotel, the Sheraton Park Hotel, and the Shoreham Americana Hotel. We also shall deny Greyhound's Application No. 893. We are required to consider, among other factors, the need, in the public interest, of adequate and efficient transportation service by a carrier at the lowest cost consistent with the furnishing of such service and the need of revenues sufficient to enable such carrier, under honest, economical, and efficient management, to provide such service. See Title II, Article XII, Section 6(a)(3) of the Compact. The record before us clearly indicates that Greyhound's institution of the proposed limousine service between Dulles and the Mayflower Hotel, the Sheraton Park Hotel, and the Shoreham Americana Hotel has occurred only as a result of the currently pending applications of Executive Limousine Service, Inc. The estimated revenues to be derived and revenue deductions to be incurred would result in a substantial loss on the proposed limousine operation. The loss would place a heavy burden upon Greyhound's financial position. As a result, the very viability of Greyhound's other airport services would be threatened. We do not believe that Greyhound has established upon this record that approval of the revised proposed tariff would be sufficient to satisfy the revenue requirements of the proposed limousine service without jeopardizing the viability of its current financial condition.

THEREFORE, IT IS ORDERED:

1. That the application for reconsideration of Order No. 1484 filed by Greyhound Airport Service, Inc., on January 13, 1976, be, and it is hereby, denied.
2. That Greyhound Airport Service, Inc., cease and desist from providing the incremental service proposed in its WMATC Tariff No. 15 until and unless authorized to do so by the Commission.
3. That Application No. 893 of Greyhound Airport Service, Inc., for approval of WMATC Tariff No. 15 which would cancel its current WMATC Tariff No. 14 be, and it is hereby, denied.

BY DIRECTION OF THE COMMISSION:


WILLIAM H. MCGILVERY
Executive Director